

## Internal Revenue Service

## Department of the Treasury

Date:

Taxpayer Identification Number:

Plan Name:

Plan Number:

Plan Year Ending:

Person to Contact/ID Number:

Contact Telephone Number:

Contact Fax Number:

E-mail Address:

Return Reply to:

Dear Taxpayer:

This letter constitutes a compliance check. A compliance check is not an audit or investigation under Internal Revenue Code (IRC) Section 7605(b) or an audit under Section 530 of the Revenue Act of 1978. This letter is being sent to you because our records show as reported on Form 5500, *Annual Return/Report of Employer Benefit Plan*, Schedule B, line 9(p) that the plan referenced above reported a minimum funding deficiency for the referenced plan year in the amount of \$ . This minimum funding deficiency has a potential excise tax liability under IRC Section 4971(a) in the amount of \$ .

Please respond to the following items that are checked below:

- ☐ Why Form 5330 was not filed for the listed year(s). Form 5330 is used to report excise taxes on plans with funding deficiencies. A funding deficiency exists if the required contribution is not made to the plan within 8 1/2 months after the end of the plan year. If the contribution was timely made, provide detailed information. If a Form 5330 is required to report an excise tax, please file the return and remittance at the address referenced in the "Return Reply to" section above. **Note:** Please review the Schedule R to ensure it was correctly completed. All contributions made to the plan for the plan year in question should be reflected on line 6(b).
- ☐ Why excise tax was not paid for the listed year(s). An excise tax equal to 10% (5% for multi-employer plans) is due on the required contribution not received by the plan within the time allowed. This tax is assessed without regard to mitigating circumstances and can not be waived.

Have you filed a funding waiver request for this plan with the IRS? If so, when was the request submitted and what is the current status of the waiver?

- ☐ How and when the funding deficiency was corrected. Please provide details regarding the contribution. If you wish you may submit a copy of the cancelled check or wire transfer, or a copy of the trust account statement showing when the contribution was made.
- ☐ Why the funding deficiency in the amount of \$                      was not corrected. Please provide an explanation and an outline of steps taken to eliminate the funding deficiency.

A reply is needed within 20 days of the above date. We also request that you provide to us a daytime telephone number where we can reach you, and the best time to contact you (include time zone). Failure to provide the information regarding the funding deficiency could result in further action or an examination of your plan. You may also furnish any other documents or clarifying materials that you believe will be helpful for us to review. If you have questions, please contact me at the number referenced above between 8:00 a.m. and 4:00 p.m. CST. For additional information, you may visit the IRS website [www.irs.gov/ep](http://www.irs.gov/ep). Thank you for your cooperation.

Sincerely,